

DEPARTMENT OF SOCIAL SERVICES  
744 P Street, Sacramento, CA 95814



November 14, 1986

ALL COUNTY LETTER NO. 86-117

TO: ALL COUNTY WELFARE DIRECTORS

REFERENCES: ALL COUNTY LETTER NO. 86-45  
ALL COUNTY WELFARE DIRECTOR MEDS TRANSMITTAL OF JUNE 10, 1986  
ALL COUNTY LETTER NO. 86-55  
ALL COUNTY LETTER NO. 86-84  
ALL COUNTY LETTER NO. 86-90

SUBJECT: RUTAN v. McMAHON

This letter transmits the Notice of Action messages to be used in the Rutan v. McMahon court ruling and to clarify several issues in All County Letter 86-90, dated September 16, 1986 which transmitted detailed implementing instructions.

The attached messages are to be used in noticing families who have had their lump sum period of ineligibility recalculated under the Rutan v. McMahon court order.

Following are clarifications of All County Letter 86-90:

1. A sentence was omitted in the implementing instruction, No. 1, second paragraph. It should read as follows (the omitted words are underlined):


If a case was discontinued effective August 31, 1986 due to the receipt of lump sum income, that action must be rescinded and the benefits restored. The lump sum must be treated as income in the month received and budgeted accordingly.

2. No. 1 of the implementing instructions regarding lump sum income as property in month following receipt for the purpose of determining state-only AFDC eligibility is clarified as follows: The lump sum income received is treated as income and budgeted accordingly. The income becomes property in the month following receipt. The county must evaluate if the family is within the property limits on the first of the month following receipt of the lump sum income. If the family is over the property limit in the month following receipt of the lump sum income, and the family is still receiving aid, any amount of aid received is an overpayment due to excess property. The suspense month is still in effect and the county should verify property values for the first of the month following suspension, prior to resuming aid.

However, if it is confirmed that the family will be over the property limit on the first of the month following receipt of the income and there is sufficient time to send timely notice, the case would be discontinued due to excess property. Because the case would be discontinued effective the first of the month following receipt, there would be an overpayment in the month of receipt if the income exceeded 185% of Minimum Basic Standard Adequate Care (MBSAC). Since the case is discontinued, the retrospective cycle would be broken, with no ability to suspend. The month of receipt becomes the ineligible month if the income exceeded 185%.

3. No. 3 of the implementing instructions is clarified as follows: "still currently in a period of ineligibility" means that an individual is in a period of ineligibility as of August 1, 1986.
4. When changing or adding a caretaker relative to the assistance unit, the new caretaker relative must be given the lump sum general informing notice.
5. We suggest that the general informing notice be included as part of the annual redetermination package.
6. When recalculating the period of ineligibility for those individuals currently in a period of ineligibility, the county must only take into account the amount of the lump sum that was determined to be available. For example, a family in February 1986 received recurring income of \$500 and a lump sum of \$1500 totaling \$2000. A four month period of ineligibility was calculated. The family applies for Rutan, the family certifies that \$1200 was spent prior to receipt of the notice of action discontinuing the family due to lump sum. \$800 is considered in the recalculation of the lump sum period of ineligibility.
7. Counties must continue to inform families of their potential eligibility pursuant to the Shaw v McMahon court order.

If there are any further questions regarding this, please call Cindy Wong Lan of the AFDC Policy Bureau at (916) 324-2158.



ROBERT A. HOREL  
Deputy Director

Attachments

## INSTRUCTIONS ON COMPLETING NOTICES OF ACTION

Attached are nine reproducible copies of the Notice of Action messages in English to be used when informing families who have had their lump sum period of ineligibility recalculated under the Rutan v. McMahon court order. Translations of the messages in Spanish, Chinese, Vietnamese, Laotian, and Cambodian will be forthcoming. The language on the attached Notices of Action has been approved under the terms of the Turner Consent Decree and is mandated for use.

We have attempted to develop Notice of Action messages for the majority of case situations. However, the messages may not address every possibility. Counties may need to develop additional messages to meet individual case circumstances following the language pattern established in the state messages.

Automated counties have the option to transfer the message language from these notices onto the NA 990.

You must copy the attached notices with a NA 5 Back on the reverse side.

### 1. Rutan 1 (9/86) Approve Federal

Use to approve federal cash aid when there is no new period of ineligibility.

- Fill in the effective date.

Use Rutan 4 as an attachment.

### 2. Rutan 2 (9/86) Approve State-only AFDC-U Then Federal

Use to approve state-only AFDC-U prior to federal cash aid when the new period of ineligibility is three months long or less and the case is eligible for state-only until federal cash aid begins.

- Fill in the effective date.
- Fill in the date the new period of ineligibility ends.
- Fill in the dates for state-only AFDC-U.
- Fill in the date federal eligibility will begin.

Use Rutan 4 as an attachment.

### 3. Rutan 3 (9/86) Approve State-only AFDC-U

Use to approve state-only AFDC-U when the new period of ineligibility is more than three months and the family chooses to receive state benefits in the beginning of the period of ineligibility. There is no federal eligibility immediately following the state-only AFDC-U.

- Fill in the effective date.
- Fill in the date the new period of ineligibility ends.
- Fill in the dates for state-only AFDC-U.
- Fill in the name of the month prior to the end of the new period of ineligibility.

Use Rutan 4 as an attachment.

4. Rutan 4 (9/86) Period of Ineligibility Computation

Use to compute the new period of ineligibility. Both the family income and the family needs sections are filled in with information for the month the lump sum income was received.

- Fill in the date the discontinuance notice of action was sent.
  - Fill in the amount of lump sum spent.
  - Fill in the remainder amount of the lump sum after it was spent.
  - Fill in the number of persons in the family and the MBSAC amount.
  - Fill in the new number of ineligible months.
  - Fill in the date the new period of ineligibility ends.
  - Fill in the remainder amount.
  - Fill in the name of the month the remainder will be counted as income.
- Note: Pursuant to Shaw, if the family is eligible for Shaw, the remainder amount is not considered as income.

5. Rutan 5 (9/86) Denial of State and Federal

Use to deny federal cash aid until the end of the new period of ineligibility ends, and deny state-only AFDC-U when the family has already received it for this 12-month period.

- Fill in the date of application.
- Fill in the date the new period of ineligibility ends.
- Fill in the date the family will be eligible for state-only AFDC-U.
- Fill in the name of the month prior to when eligibility may begin.

Use Rutan 4 as an attachment.

6. Rutan 6 (9/86) Denial - 100 Hour Rule

Use to deny federal cash aid until the new period of ineligibility ends and to deny state-only AFDC-U because the principal earner is working 100 hours or more a month.

- Fill in the date of application.
- Fill in the date the new period of ineligibility ends.
- Fill in the name of the family's principal earner.

Use Rutan 4 as an attachment.

7. Rutan 7 (9/86) Denial - No New Period of Ineligibility

Use to deny federal cash aid because there is no new period of ineligibility.

- Fill in the date of application.
- Fill in the date the original discontinuance Notice of Action was sent.
- Fill in the date the period of ineligibility ends.

8. Rutan 8 (9/86) Denial - General

Use to deny federal cash aid until the new period of ineligibility ends and to deny state-only AFDC-U for not meeting an eligibility requirement.

- Fill in the date of application.
- Fill in the date the new period of ineligibility ends.
- Fill in the eligibility requirement not met.

Use Rutan 4 as an attachment.

9. Rutan 9 (10/86) Denial - Federal

Use to deny federal cash aid when the new period of ineligibility is more than three months long and the family chooses to receive state-only benefits for the last three months of the federal period of ineligibility.

- Fill in the date of application.
- Fill in the date the new period of ineligibility ends.
- Fill in the dates for state-only AFDC-U.
- Fill in the name of the month prior to when state-only benefits may begin.

Use Rutan 4 as an attachment.

Case Name	
Case Number	
Worker	
Phone	
Date	

Under the Rutan v. McMahon court ruling, we have figured your lump sum period of ineligibility again. See next page. Your new period of ineligibility has ended.

Computation of: ☐ Financial Eligibility

☐ Aid Payment

\_\_\_\_\_ for \_\_\_\_\_ persons \_\_\_\_\_

Special Needs (specify) \_\_\_\_\_ + \_\_\_\_\_

Net Non-exempt Income - \_\_\_\_\_

Child/Spousal Support Collected by the County  
(for eligibility computation only)

Total Grant \$100,000

Overpayment Adjustment (see page \_\_\_\_\_)

Aid Payment \_\_\_\_\_

### Net Nonexempt Income Computation

Total Earned Income

Inc. Tax, Soc. Sec. and Disab. Ins.

### Standard Work Expense Disregard

### Dependent Care Expense Disregard

Disregard: \$30

Subtotal

Disregard: 1/3 of Subtotal

Other Countable Income: \_\_\_\_\_

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**Court Ordered Child/Spousal Support Paid**

● Net Nonexempt Income

1

• Net Nonexempt Income Total (Columns 1 + 2 + 3)

[illegible]

**Regulations.** This action is required by State regulations which are available for review at the county welfare department: Manual of Policies and Procedures (MPP) Section(s) Rutan v. McMahon Court Order

Medi-Cal: California Administrative Code Title 22, Section(s) \_\_\_\_\_

**Child Support.** The District Attorney can help you locate an absent parent, legally establish your child's paternity, and collect child support. To obtain these services, or to continue them if aid is discontinued, you must contact the District Attorney's office.

**Family Planning Services.** Information is available from the County Welfare Department on request.

**State Hearing.** If you believe this action is wrong, you can ask for a State Hearing. Your benefits may continue unchanged if you ask for a State Hearing. See the back of this notice for instructions.

# Notice of Action

*If you have questions or want more information about this action, please contact your worker.*

Case Name  
Case Number  
Worker  
Phone  
Date

**Description of the Action, Amount, Reason(s), Comments.** Effective \_\_\_\_\_, the following action is being taken:

The County has approved your application for short-term State-only AFDC-U.

Your cash aid amount is figured on this notice.

Under the **Rutan v. McMahon** court ruling, we have figured your lump sum period of ineligibility again. See the next page. Your new Federal lump sum period of ineligibility will end \_\_\_\_\_.

You will get State-only AFDC-U from \_\_\_\_\_ to \_\_\_\_\_. A family can get only 3 months of State-only AFDC-U in a 12-month period.

If nothing changes you will get regular Federal cash aid starting

Computation of: ☐ Financial Eligibility

☐ Aid Payment

\_\_\_\_\_ for \_\_\_\_\_ persons

Special Needs (specify) \_\_\_\_\_ + \_\_\_\_\_

Net Non-exempt Income — \_\_\_\_\_

Child/Spousal Support Collected by the County

(for eligibility computation only)

Total Grant	1,000,000
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Overpayment Adjustment (see page \_\_\_\_\_) - \_\_\_\_\_

Aid Payment = \_\_\_\_\_

### Net Nonexempt Income Computation

Total Earned Income

Inc. Tax, Soc. Sec. and Disab. Ins.

### Standard Work Expense Disregard

### Dependent Care Expense Disregard

Disregard: \$30

Subtotal/

Disregard: 1/3 of Subtotal

Other Countable Income: \_\_\_\_\_

**Court Ordered Child/Spousal Support Paid**

- Net Nonexempt Income

or  
I

• **Net Nonexempt Income Total** (columns 1 + 2 + 3)

[illegible]

**Regulations.** This action is required by State regulations which are available for review at the county welfare department: Manual of Policies and Procedures (MPP) Section(s) Rutan v. McMahon Court Order

Medi-Cal; California Administrative Code Title 22, Section(s) \_\_\_\_\_

**Child Support.** The District Attorney can help you locate an absent parent, legally establish your child's paternity, and collect child support. To obtain these services, or to continue them if aid is discontinued, you must contact the District Attorney's office.

**Family Planning Services.** Information is available from the County Welfare Department on request.

**State Hearing.** If you believe this action is wrong, you can ask for a State Hearing. Your benefits may continue unchanged if you ask for a State Hearing. See the back of this notice for instructions.

*If you have questions or want more information about this action, please contact your worker.*

Case Name  
Case Number  
Worker  
Phone  
Date



# Notice of Action - Continued

Case Name :  
Case Number :  
Date of Notice :

Your new period of ineligibility is figured below:

Your income in: \_\_\_\_\_

Lump Sum Income: \$ \_\_\_\_\_

Other Net Income: + \_\_\_\_\_

Total Income: \$ \_\_\_\_\_

We sent you a notice on \_\_\_\_\_ to stop your cash aid  
because you got a lump sum of money.

Before you got the notice you spent: - \_\_\_\_\_

A. The money you had left when you got the notice: \$ \_\_\_\_\_

Your family needs in: \_\_\_\_\_

Basic need for \_\_\_\_\_ Persons: \$ \_\_\_\_\_

Special Needs: + \_\_\_\_\_

B. Total Needs: \$ \_\_\_\_\_

Your unspent income (A) divided by your family needs (B)  
equals the number of ineligible months: \_\_\_\_\_

Your new period of ineligibility will end: \_\_\_\_\_

There is a remainder of: \$ \_\_\_\_\_

It counts against your grant in: \_\_\_\_\_

**Regulations.** These rules apply to the information on this page: Policy Manual Sections:  
You may review them at your welfare office.

**State Hearing.** If you think we are wrong, you may ask for a hearing. The back of page 1 tells how.

# Notice of Action

*If you have questions or want more information  
about this action, please contact your worker.*

Case Name :  
Case Number :  
Worker :  
Phone :  
Date :

**Description of the Action, Amount, Reason(s), Comments.** Effective \_\_\_\_\_, the following action is being taken:

The County has denied your application for State-only AFDC-U and Federal cash aid, dated \_\_\_\_\_.

Here's why:

Under the Rutan v. McMahon court ruling, we have figured your lump sum period of ineligibility again. See the next page. Your new Federal lump sum period of ineligibility will end \_\_\_\_\_.

You can't get Federal cash aid until your new period of ineligibility ends. A family can get only 3 months State-only AFDC-U in a 12-month period. Your family can't get State-only AFDC-U until \_\_\_\_\_. You must apply for it in \_\_\_\_\_.

If something changes about your family or there is an emergency, you may be able to get Federal cash aid earlier. You must apply for it. Call or come into this office to apply.

**Regulations.** This action is required by State regulations which are available for review at the county welfare department: Manual of Policies and Procedures (MPP) Section(s) Rutan v. McMahon Court Order

Medi-Cal — California Administrative Code Title 22, Section(s) \_\_\_\_\_

**State Hearing.** If you believe this action is wrong, you can ask for a State Hearing. Your benefits may continue unchanged if you ask for a State Hearing. See the back of this notice for instructions.

# Notice of Action

*If you have questions or want more information about this action, please contact your worker.*

Case Name :  
Case Number :  
Worker :  
Phone :  
Date :

**Description of the Action, Amount, Reason(s), Comments.** Effective \_\_\_\_\_, the following action is being taken:

The County has denied your application for State-only AFDC-U and Federal cash aid, dated \_\_\_\_\_.

Here's why:

Under the Rutan v. McMahon court ruling, we have figured your lump sum period of ineligibility again. See the next page. Your new Federal lump sum period of ineligibility will end \_\_\_\_\_.

You can't get Federal cash aid until your new period of ineligibility ends. You can't get State-only AFDC-U because your family's principal earner is working 100 hours or more a month. The principal earner in your family is:

If something changes about your family or there is an emergency, you may be able to get Federal cash aid earlier. You must apply for it. Call or come into this office to apply.

**Regulations.** This action is required by State regulations which are available for review at the county welfare department: Manual of Policies and Procedures (MPP) Section(s) Rutan v. McMahon Court Order

Medi-Cal — California Administrative Code Title 22, Section(s) \_\_\_\_\_

**State Hearing.** If you believe this action is wrong, you can ask for a State Hearing. Your benefits may continue unchanged if you ask for a State Hearing. See the back of this notice for instructions.

# Notice of Action

*If you have questions or want more information about this action, please contact your worker.*

Case Name :  
Case Number :  
Worker :  
Phone :  
Date :

**Description of the Action, Amount, Reason(s), Comments.** Effective \_\_\_\_\_, the following action is being taken:

The County has denied your application for Federal cash aid, dated \_\_\_\_\_.

Here's why:

You can't get cash aid under the Rutan v. McMahon court ruling. We sent you a notice to stop your cash aid because you got a lump sum of money. You did not spend any of the money before you got the notice. The written notice we sent on \_\_\_\_\_ still stands. Your period of ineligibility will end \_\_\_\_\_.

But you may be able to get short term cash aid. A family can get State-only AFDC-U for 3 months in a 12-month period. You must apply for it. Call or come into this office to apply.

If something changes about your family or there is an emergency, you may be able to get Federal cash aid earlier. You must apply for it.

**Regulations.** This action is required by State regulations which are available for review at the county welfare department: Manual of Policies and Procedures (MPP) Section(s) Rutan v. McMahon Court Order

Medi-Cal — California Administrative Code Title 22, Section(s) \_\_\_\_\_

**State Hearing.** If you believe this action is wrong, you can ask for a State Hearing. Your benefits may continue unchanged if you ask for a State Hearing. See the back of this notice for instructions.

# Notice of Action

*If you have questions or want more information  
about this action, please contact your worker.*

Case Name :  
Case Number :  
Worker :  
Phone :  
Date :

**Description of the Action, Amount, Reason(s), Comments.** Effective \_\_\_\_\_, the following action is being taken:

The County has denied your application for State-only AFDC-U and Federal cash aid, dated \_\_\_\_\_.

Here's why:

Under the Rutan v. McMahon court ruling, we have figured your lump sum period of ineligibility again. See the next page. Your new Federal lump sum period of ineligibility will end \_\_\_\_\_.

You can't get Federal cash aid until your new period of ineligibility ends. You can't get State-only AFDC-U because you do not meet this rule:

**Regulations.** This action is required by State regulations which are available for review at the county welfare department: Manual of Policies and Procedures (MPP) Section(s) Rutan v. McMahon Court Order

Medi-Cal — California Administrative Code Title 22, Section(s) \_\_\_\_\_

**State Hearing.** If you believe this action is wrong, you can ask for a State Hearing. Your benefits may continue unchanged if you ask for a State Hearing. See the back of this notice for instructions.

# Notice of Action

*If you have questions or want more information  
about this action, please contact your worker.*

Case Name :  
Case Number :  
Worker :  
Phone :  
Date :

**Description of the Action, Amount, Reason(s), Comments.** Effective \_\_\_\_\_, the following action is being taken:

The county has denied your application for Federal cash aid, dated \_\_\_\_\_.

Here's why:

Under the Rutan v. McMahon court ruling, we have figured your lump sum period of ineligibility again. See the next page. Your new Federal lump sum period of ineligibility will end \_\_\_\_\_.

You can't get Federal cash aid until your new period of ineligibility ends.

A family can get cash aid from State-only AFDC-U for 3 months in a 12-month period. You chose to get State-only cash aid from \_\_\_\_\_ to \_\_\_\_\_. To get this cash aid again you must apply. Call or come into this office in \_\_\_\_\_.

If something changes about your family or there is an emergency, you may be able to get Federal cash aid earlier. You must apply for it. Call or come into this office to apply.

**Regulations.** This action is required by State regulations which are available for review at the county welfare department: Manual of Policies and Procedures (MPP) Section(s) Rutan v. McMahon

Medi-Cal — California Administrative Code Title 22, Section(s) \_\_\_\_\_

**State Hearing.** If you believe this action is wrong, you can ask for a State Hearing. Your benefits may continue unchanged if you ask for a State Hearing. See the back of this notice for instructions.